

Chapter 3

Using Your SmartPay Card for Purchasing Goods and Services

3.1 Overview: Using your SmartPay Card (the card) is a quick and easy way to buy many of the day to day items that you may need to do your job. You can also buy these goods and services right when you need them. It saves you paperwork and lets your procurement office spend its time on the more difficult purchases. With your supervisor's approval, you can use convenience checks when the merchant does not accept the card. Remember that using convenience checks can be expensive! The fee for use is 1.9% of the purchase price.

3.2 Training Requirements: Before you can use your card for over-the-counter purchases, you must understand the information contained in this chapter and pass a test by getting 80% of the questions right. If your reviewing official has not done so, he or she must also meet these requirements. Training and testing must be conducted under the authority of a contracting officer. Your park or office A/OPC will set specific requirements for how this training will be managed and how the test will be taken.

3.3 Purchase Limits

A. Single Purchase Limit: You will have a limit on the amount of money you can spend each time you use your card. By law, that limit can't exceed \$2,500 per purchase unless you are a contracting officer. Your reviewing official and your A/OPC will decide what your limit should be based on the kind of job you have and the types of goods and services you need to purchase. Once set, you can buy any number of the same or different items up to that dollar limit. ***It is illegal to "split a requirement"***. That means making two or more separate purchases in order to get around your single purchase limit.

B. Monthly Purchase Limit: You will have a limit on the total amount of money you can spend during each month's billing cycle using your card. As with the single purchase limit, your reviewing official and your A/OPC will decide what your monthly limit should be based on the kind of job you have and the types of goods and services you need to purchase.

3.4 Tax Exemption Status: The payment of state and local sales taxes is generally not authorized when using the card to purchase goods and services, as state and local governments have no authority to levy sales taxes upon the federal government. However, there are some exceptions (e.g., in Arizona, Illinois, Kentucky, New Mexico, and South Carolina) depending on how the states' sales taxes are structured. Further, certain other taxes, such as those levied by some states or local, city or county governments may be valid. If this is likely to be an issue for your purchases, check with your park / office contracting officer to see if your geographic area is one of the exceptions.

The federal government is not exempt from certain excise taxes, such as those placed on motor fuel, tires, etc. Although there is no Tax Exempt Number specific to the National Park Service or the federal government as a whole, there is a tax exempt

identification number for the Department of the Interior printed on the front of the card. When making purchases with the card, you need to draw the vendor's attention to that number (as the print is small and often overlooked). If the vendor declines to allow a tax exemption using the printed number on the card, you have two other choices: (1), offer the Department of the Interior's Taxpayer Identification Number, which is 53-0197094, or (2), diplomatically decline to make your purchase and take your business elsewhere.

3.5 Regulatory Requirements:

A. Overview: All purchases you make using the card have to follow appropriations law and the rules in the Federal Acquisition Regulations (FAR). You also have to follow your park's or office's local purchase rules and you have to make sure that funds are available to cover the cost of your purchases. This is true for purchases made by telephone, in stores, by facsimile, or over the Internet.

B. Required and Mandatory Sources of Supply: The items that you purchase have to be obtained from specific sources. You have to check with these sources ***first*** to see if they have the item(s) you need before you can go anywhere else to buy them. The order you must follow is:

1. Excess Surplus Property (See your local property officer and the property management bulletin board on cc:Mail). Also check military surplus property listings on the Internet at <http://www.drms.com>.
2. UNICOR (United States Correctional Institutions). Also known as Federal Prison Industries, Inc.; <http://www.unicor.gov>. UNICOR carries standard and custom signs, bookcases, storage cabinets, chairs, decals, desks, file cabinets, office and household furniture, map shelves, name plates, hazardous material (HAZMAT) markings, and partitions.
3. JWOD Nonprofit Agencies (NIB/NISH); <http://www.jwod.gov>. Certain items ***must*** be purchased from the National Institutes for the Blind and the National Institutes for the Severely Handicapped under the Javits-Wagner-O'Day Program. Government agencies are ***required*** to support these programs. Mandatory purchase items include certain types of office supplies, hardware, cleaning supplies, household goods, and fire fighting supplies.
4. Federal Supply Schedules; <http://www.gsa.gov>. If an item costs more than \$300 and can-not be purchased from UNICOR or under JWOD, it may be available in a GSA Federal Supply Schedule. Most of the contracts are now optional, but you can usually save money by using a GSA contract vendor. Ask your contracting officer for assistance, or check the Internet for items currently available on schedule. These include lawn mowers, chainsaws, utility vehicles, tires, fire fighting equipment, power tools, furniture, etc.
5. Wholesale Supply Sources (GSA, DLA); <http://www.gsa.gov> and;
6. Open Market

As you can see, "Open Market" is the ***last*** option after all mandatory supply sources have been examined. To help you adhere to these requirements, most items available

from mandatory sources may be located by searching the *GSA Advantage!* Web site, located at <http://www.gsa.gov/advantage>.

If catalogs from these sources are not available where you work and you don't have access to the Internet, get in touch with your park's or office's contracting officer for help with these sources of supply.

- C. Resource Conservation Recovery Act:** This Act says that some of the items you buy have to be made from "the highest percentage of recovered materials practicable." Examples include, but are not limited to, re-refined oil, re-tread tires, cement containing fly ash, insulation with recovered cellulose, and recycled paper products (for printers, writing tablets, toilet tissue, etc.).
- D. Competitive quotations:** You are not required to obtain quotations from different merchants when you buy goods and services that cost less than \$2,500 or construction that costs less than \$2,000. However, you should check with other companies when you think a price you are being quoted is unreasonably high. Also, you should spread your purchases around among local merchants so that no one company has the full benefit of your business.

3.6 Authorized Uses of the Card:

A. You are the only person that can use your card to buy goods and services needed as a result of your government employment. You may use your card at any merchant that accepts the card for payment of purchases, subject to the single purchase limit placed on your card. Do not let vendors add a surcharge to your purchase in exchange for their acceptance of the card; we are not required to pay this and you will not be reimbursed for the surcharge. In general, there are four ways you can use your card to buy goods and services:

- **At a retail store.** (This is also called an "Over-the-Counter" purchase). Buying items over-the-counter is done the same way as you would with one of your personal credit cards. Pick the item(s) you want, take them to the checkout clerk, and use the card to pay. Be sure to tell the clerk that the purchase is tax exempt before the item is rung up.
- **Over the Telephone:** When you buy items over the telephone, you need to make sure that both you and the person taking the order understand exactly what it is you want. Again, remember to mention that your purchase is tax exempt. The vendor must also agree not to put the charge on your card until the item is actually shipped. When you order items over the telephone and you want them picked up by someone else, care must be taken: ***You are the only one who can sign a transaction receipt.*** If the vendor wants the person who picks up the item to sign the receipt, then you have to be the one to pick it up.
- **Mail and Facsimile Orders:** When ordering by mail or facsimile, remember to write down your name, the card number, the expiration date of your card and the correct ship-to address. Remember that the ship-to address generally has to be a physical street address, not a P.O. Box. Again, be sure to mention on the order that your purchase is tax exempt.

- **Internet Orders:** When ordering through the Internet, you are responsible for the security of your account number and other card information. Make purchases via the Internet on secured links only. If the vendor's link is not secure, or if you are in doubt, use the telephone to place your order with the vendor. You will be responsible for working with the issuing bank and AOC in disputing any charges made to your card if the vendor's link is not secure and your card information gets in the wrong hands.

B. Purchase of Personal Property: The card may be used to buy some types of personal property, subject to policy in DO-44 and your park's or office's local policies. ***Firearms may not be purchased by anyone using the card, including warranted Contracting Officers.*** If you purchase capitalized personal property with the card, you must inform your park's or office's property officer so that these items may be entered in the property system database.

C. Shipping Charges: You may pay shipping charges with your card if they are billed as a separate item and they cost \$250 or less. Shipping charges which exceed \$250 must be handled with a Government Bill of Lading (GBL). An alternative is to ask the vendor to have the items shipped FOB destination (i.e., the shipping charge is built into the cost of the item(s)).

D. Telephone and Telephone Service Acquisition: Some telephone equipment and services, such as Internet subscription services, cell phone services, telephones, system expansion boards and modules, modems and answering machines, may be purchased with the card. However, telecommunications systems and services, such as those covered by government-wide telecommunications contracts (currently, FTS 2001) can only be purchased by Contracting Officers. When in doubt, check with your Contracting Officer.

E. Construction: Non-warranted cardholders can use the card to buy construction services up to \$2,000. Warranted cardholders are limited only by the level of their warrant.

F. Janitorial, Yard, and Maintenance Services: While an authorized use of the card, be careful about using your card for janitorial, yard, or other maintenance/repair services to be sure that you don't get into a long-term situation that might cost more than \$2,500 per year. It is absolutely necessary to have proper documentation for these types of acquisitions. Any long-term services in excess of \$2,500 per year would be subject to the Service Contract Act. For this reason, you should see your Contracting Officer whenever such services are being considered.

G. Equipment Maintenance and Fuel Acquisitions: You may use your SmartPay card to buy parts and services for government owned vehicles that do not have an assigned card. (One example would be vehicles used for undercover work). Bulk fuel orders may also be purchased using the card.

3.7 Prohibited Uses of the Card: You cannot use your card to purchase:

- A. Long term rental or lease (12 months or longer) of land, buildings, garages, or parking spaces for official vehicles.
- B. Printing or copying services (except when exemptions from regulations are granted from the General Printing Office).
- C. Personal Uniform items available from R&R Uniforms, with the exception of nametags. Warranted contracting officers may use the card for the acquisition of VIP uniforms, badges, and other items.
- D. Personal Protective Clothing and Footwear except under special circumstances (i.e., the acquisition of personal protective gear).
- E. Only warranted contracting officers may use the card to purchase sensitive property, specifically computers, printers, monitors, cameras, camcorders, cars, trucks, vans, motorcycles, motor scooters, and boats.
- F. Firearms and weapons.
- G. Meals and Lodging: You cannot buy lodging or meals at your permanent duty station. Special provisions exist in the event of fires and other emergencies. See your A/OPC for details on these provisions.
- H. Cash advances for the purpose of making purchases.
- I. Gasoline, oil or repair services for Interior owned vehicles and equipment with assigned fleet cards and GSA leased vehicles with GSA Fleet Cards.
- J. Unique needs such as any service or product that would require detailed specifications or a statement of work.

3.8 Backorders: If an item you purchase needs to be backordered, make sure the vendor agrees not to process the charge against your card until the order is actually shipped. During the last couple of months of the fiscal year, make sure that funds are committed in case your order is shipped after September 30th. See your budget / finance office for instructions.

3.9 Shipping Addresses/Contact Points: The shipping document or packing slip should include your name, address, telephone number and the term "Payment by Purchase card." This will help your receiving office get in touch with you if a problem arises and allows you to check the receipt against your statement.

3.10 Use of Convenience Checks:

- A. **General Requirements:** With the approval of both your supervisor and your A/OPC, this is a check that you can use from the issuing bank to pay for goods and services when a merchant will not accept your card. The following are the requirements for obtaining and using these checks.
 - First, you need to get the approval from your reviewing official and your A/OPC before checks can be issued to you.
 - You are the only one who can use your checks.
 - Your convenience checks will have the same single purchase and monthly spending limits as your card.
 - You must ensure the checks are secured when not in use.
- B. **Use of the Checks:** For your convenience, your check supply will include an original and carbon copy of each check. Carbons should be kept as part of your

official record. These carbons must be kept for a period of three years. When you write a convenience check, make sure that the following information is entered in the appropriate spaces and is legible.

- Date should be spelled out with the month, date and four digit year.
- Enter the name of the payee (vendor) and make sure it is legible.
- Under no circumstances can checks be made out to "cash".
- Write the amount of the check in numbers and words, followed by the numerical amount in the appropriate spaces.
- Write the check for the exact amount of the purchase.
- In the memo field, enter a short description of the purchase.
- Sign the check in the space provided. It should be signed the same way as your name is printed on the check.
- Use a convenience check register to verify amounts as they appear on your monthly statements.

C. **Special Situations:**

- If an error is made and you need to void the check, write VOID – NOT NEGOTIABLE on the check and the carbon.
- If you need to stop payment on a check, notify the issuing bank immediately by calling 1-800-472-1424.
- If you have any checks lost or stolen, you need to contact the issuing bank immediately by calling 1-800-472-1424. Also notify your A/OPC as soon as possible. You may need to close your account if several checks are lost or stolen.

D. **Internal Revenue Service (IRS) Reporting Requirements:** By law, the IRS must be notified that you have purchased items from a vendor using a convenience check. You are responsible for obtaining this information from the vendor for each check you write. You may write this information down in any way that you choose, so long as it's legible. Every three months you will need to mail to AOC copies of this information so that AOC can then forward the information to the IRS. The information should be sent to AOC to the attention of Jeff McGraw. Jeff can be reached at 703-487-9024 to answer any of your questions. Here's the information you'll need to collect:

- Name and complete address of the vendor.
- The vendor's Federal Taxpayer Identification Number (TIN) or social security number (SSN).
- The amount of the payment.
- Your name and office telephone number.

3.11 Using the Card as a Payment Tool: (For use primarily by contracting and procurement officials). The Federal Acquisition Regulations were amended to allow payments for purchase orders and contracts to be made using your card. Since credit card payments are in compliance with Treasury's EFT requirement and are both more efficient and less costly than other methods, you are encouraged to use this payment method as much as possible. If you elect to pay your documents with your card, please do the following.

- Insert the appropriate language contained in the FAR when writing the payment terms to allow payment by credit card.

- You should still obligate your purchase orders and contracts into FFS.
- Once the payment is accepted by the vendor, you need to ensure that the obligation is cancelled from FFS. AOC will assist you in this effort if needed.
- Remember to remain within the same single purchase limits of your card.

3.9 **Reconciling your Monthly Statement:** The billing cycle for the card ends on the 27th of the month. You should receive your statement within 10 days of cycle closure. You are responsible for:

- A. Reviewing your statement for accuracy.
- B. Writing down a clear description of each item you buy on your monthly statement. Words like "miscellaneous" or "general" are not enough. Write in the appropriate NPS account number to be charged if different from your default account.
- C. Keeping a Transaction Log for telephone, facsimile, and Internet orders.
- D. Reconciling your account within 5 days of receiving your statement, signing the back of the statement, and giving the statement to your reviewing official upon request.
- E. Keeping the original receipts and other documentation for all items you buy for three years. If you don't have a receipt for a purchase, you have to attach a "memorandum for the record" which describes the item, date of charge, merchant's name and an explanation as to why the receipt can't be provided. If you transfer to another location or leave the NPS, you must turn over all of your receipts and records to your reviewing official.

Remember that your SmartPay card will be assigned to one accounting code. Each card is linked to a single specific NPS account number, which becomes the default number for charges to that card. Distribution of charges to multiple NPS accounts may be accomplished through the FFS tables or in EAGLS, when available.